

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 460 - SB 536

March 1, 2023

SUMMARY OF BILL: Adds the commission of certain sexual offenses to the definition of “severe child abuse”.

FISCAL IMPACT:

Increase State Expenditures – \$2,887,200/FY23-24 and Subsequent Years

Increase Federal Expenditures – \$1,934,700/FY23-24 and Subsequent years

Assumptions:

- Pursuant to Tenn. Code Ann. § 37-1-102(b)(27)(C), severe child abuse means the commission of the following acts towards the child:
 - Trafficking for commercial sex act;
 - Aggravated rape;
 - Rape;
 - Aggravated sexual battery;
 - Promoting prostitution;
 - Rape of a child;
 - Sexual battery by an authority figure;
 - Aggravated rape of a child;
 - Statutory rape by an authority figure;
 - Incest;
 - Aggravated child abuse;
 - Aggravated child neglect or endangerment;
 - Aggravated sexual exploitation of a minor; and
 - Especially aggravated sexual exploitation of a minor.
- The proposed legislation expands the definition of severe child abuse to include the following 12 offenses towards the child:
 - Sexual battery;
 - Mitigated statutory rape;
 - Sexual contact with a minor by an authority figure;
 - Indecent exposure;
 - Patronizing prostitution;
 - Continuous sexual abuse of a child;
 - Solicitation of a minor;

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- Soliciting sexual exploitation of a minor;
 - Promoting travel for prostitution;
 - Especially aggravated rape;
 - Especially aggravated rape of a child; and
 - Sexual exploitation of a minor.
- Pursuant to Tenn. Code Ann. § 36-1-113(g)(4), initiation of termination of parental or guardianship rights may be based upon a parent or guardian having found to have committed severe child abuse.
- Adding the additional 12 sexual offenses to the definition of severe child abuse will result in an increase in the number of cases of severe child abuse reported and investigated by the Department of Children's Services (DCS) and an increase in the number of children in DCS custody due to loss of parental or guardianship rights.
- Based on information provided by the DCS, over the last three fiscal years there was an average of 13,701 referrals per year DCS received and were required to be investigated as a result of one of the acts currently prohibited by Tenn. Code Ann. § 39-1-102(b)(27)(C).
- Of those 13,701 referrals, an average of 7.95 percent, or 1,089 children (13,701 x 7.95%), entered DCS custody per year as a result of an investigation from one of the acts currently prohibited by Tenn. Code Ann. § 39-1-102(b)(27)(C).
- Based on information provided by DCS, over the last three fiscal years there was an average of 2,454 cases of severe child abuse reports DCS referred to law enforcement for sexual abuse allegations that did not meet the statutory requirements of abuse or neglect.
- It is reasonably assumed passage of the proposed legislation will result in an increase of 20 percent, or 491 (2,454 x 20.0%), of severe child abuse reports the DCS will be required to investigate and an increase of 7.95 percent or 39 (491 x 7.95%) children entering DCS custody as a result of such investigations.
- The average cost per day per child in the custody of DCS is estimated to be \$272.48.
- The recurring increase in expenditures is estimated to be \$3,878,753 (39 children x 365 days x \$272.48) in FY23-24 and subsequent years.
- The increase in expenditures of \$3,878,753 will consist of \$2,322,477 (\$1,706,651 + \$615,826) in state funding and \$1,556,276 (\$387,875 + \$1,168,401) in federal funding, as follows:
 - 44 percent or \$1,706,651 (\$3,878,753 x 44.0%) in DCS state funding;
 - 10 percent, or \$387,875 (\$3,878,753 x 10%) Title IV-E federal funding, and
 - 46 percent TennCare funding, which is comprised of
 - \$1,168,401 (\$3,878,753 x 46% x 65.485%) federal funding and
 - \$615,826 (\$3,878,753 x 46% x 34.515%) state funding.
- The DCS will require 10 additional case manager positions to meet the provisions of the proposed legislation: 7 case manager positions to accommodate the increase in investigations and 3 case manager positions to accommodate the increase in children in DCS custody.
- The increase in expenditures associated with the additional 10 positions is estimated to be \$943,183 (\$617,364 salaries + \$175,819 benefits + \$150,000 other expenditures) in FY23-24 and subsequent years.

- The increase in expenditures of \$943,183 will consist of \$564,749 (\$415,001 + \$149,748) in state funding and \$378,434 (\$94,318 + \$284,116) in federal funding, as follows:
 - 44 percent or \$415,001 ($\$943,183 \times 44.0\%$) in DCS state funding;
 - 10 percent, or \$94,318 ($\$943,183 \times 10\%$) Title IV-E federal funding, and
 - 46 percent TennCare funding, which is comprised of
 - \$284,116 ($\$943,183 \times 46\% \times 65.485\%$) federal funding and
 - \$149,748 ($\$943,183 \times 46\% \times 34.515\%$) state funding.
- The total increase in state expenditures is estimated to be \$2,887,226 (\$2,322,477 + \$564,749) in FY23-24 and subsequent years.
- The total increase in federal expenditures is estimated to be \$1,934,710 (\$1,556,276 + \$378,434) in FY23-24 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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